

Results of Survey on Reform of Interest Rate Benchmarks for Q2 2020

(Figures in parentheses represent changes versus six months ago)

1. Hong Kong banking sector's exposures referencing LIBOR (LIBOR exposures)

(HK\$ trillion, as at end-March 2020)	Assets	Liabilities	Derivatives
Total amount of LIBOR exposures ^(note)	\$4.8 (+\$0.3)	\$1.6 (--)	\$34.7 (+\$0.1)
as a % of total assets or liabilities denominated in foreign currencies	30% (--)	11% (--)	N/A
LIBOR exposures which will mature after end-2021	\$1.9 (+\$0.4)	\$0.7 (+\$0.2)	\$18.1 (+\$2.0)
of which without adequate fall-back outstanding amount	\$1.7 (+\$0.3)	\$0.6 (+\$0.1)	\$17.4 (+\$1.9)
as a % of total LIBOR assets, liabilities or derivatives	35% (+4ppt)	39% (+11ppt)	50% (+5ppt)

Note: Includes exposures referencing LIBOR in five currencies (i.e. USD, EUR, GBP, JPY and CHF), as well as benchmarks calculated based on LIBOR, including Singapore Dollar Swap Offer Rate (SOR), Thai Baht Interest Rate Fixing (THBFI), Mumbai Interbank Forward Offer Rate (MIFOR) and Philippine Interbank Reference Rate (PHIREF).

2. Hong Kong banking sector's exposures referencing HIBOR (HIBOR exposures)

(HK\$ trillion, as at end-March 2020)	Assets	Liabilities	Derivatives
Total amount of HIBOR exposures	\$4.5 (-\$0.1)	\$0.2 (--)	\$12.1 (-\$0.1)
as a % of total assets or liabilities denominated in HKD	48% (-1ppt)	2% (--)	N/A

3. AIs' preparation for transition to alternative reference rates (ARRs)

Key components in AIs' preparatory work for transition to ARRs ^(note)	% AIs having the component in place
Establishment of a steering committee and/or appointment of a senior executive for overseeing the preparation for transition	85% (+22ppt)
Development of a bank-wide transition plan	61% (+23ppt)
Quantification and monitoring of LIBOR exposures	64% (+16ppt)
Impact assessment across businesses and functions	51% (+9ppt)
Identification and evaluation of risk associated with the transition	48% (+10ppt)
Development of a plan to introduce ARR products	46% (+18ppt)
Identification of affected IT systems and development of a plan to upgrade these systems	45% (+6ppt)
Identification of affected internal models and development of a plan to modify these models	36% (--)
Development of a plan to reduce LIBOR exposures	31% (+6ppt)
Development of a plan to renegotiate LIBOR-linked contracts	31% (+7ppt)

Note: Based on latest information collected by the HKMA, all except a few smaller AIs have developed a bank-wide transition plan with proper governance in place to oversee the transition.